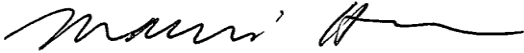


<b>Title</b> Real Property Charges		<b>Number</b> FIN-220.4	<b>Rev. no.</b> 0
<b>Responsibility</b> Finance Division		<b>Supersedes</b> FIN-210.2 section 5	<b>Pages</b> 5
<b>General Manager/CEO Signature</b>  Mami Hara		<b>Approval Date</b> September 18, 2018	<b>Effective Date</b> October 1, 2018

## 1. PURPOSE

To set charges for real property services provided by Seattle Public Utilities (SPU).

## 2. DEFINITIONS

*site specific cost (SSC).* A charge calculated by SPU that accounts for specific location and job site conditions. Determined before work is performed, a site specific cost sums all labor, material, equipment, fringe benefits, overheads, taxes and any other costs required to complete the work. Site specific costs vary between sites in order to recover anticipated costs of providing service at a specific location.

*time and materials (T&M).* The actual cost incurred by SPU for work performed, including labor, equipment, materials, applicable permit fees and taxes, pavement restoration, overhead costs and any similar costs, which is calculated by SPU after work has been completed.

## 3. RULE

### A. Property Services

SPU must charge for any administrative costs it incurs as a result of processing applications or requests for the use of SPU's property, or the purchase of SPU's property or property rights (such as an easement). These costs can be charged in the form of a "Standard Charge" or "Time and Material" as established by this director's rule.

In addition to administrative costs SPU must receive "Fair Market Value" for any property sold, easements granted, other permanent or temporary property rights granted, or the use of SPU property. Fair Market Value can include the value of any real and substantive benefit to SPU, such as mutual and offsetting benefits.

Unless otherwise provided by ordinance, no permit shall be issued that would extend for more than a year. Otherwise, all permits must be revocable.

Due to the variables inherent to real property transactions, administrative costs, legislative costs, and Use Fees established by this director's rule may not always accurately apply. In such cases, charges may be adjusted to reflect the actual situation.

Leasehold Excise Tax is required on all permits and leases as required by RCW 82.29A, and RCW 82.29A.130.

All charges established by City of Seattle ordinance or regulations take precedence over all charges established in this director's rule.

### 1) Time and Material Charges

If SPU determines that a standard charge established by this director's rule is expected to be inadequate to cover SPU's administration costs arising from any application or request, an estimate of the expected Time and Material cost will be determined by SPU. The applicant or requester shall pay the estimated amount, which shall be deposited in a SPU Guaranteed Deposit account and billed periodically. If actual time and material costs are less than the deposit, the balance shall be refunded; if the actual costs exceed the deposit, the balance owing will be charged to the applicant.

If mutually agreed between SPU and the applicant or requester, the estimated amount may be paid up-front as payment in full, and no accounting of time and materials will be kept.

At SPU's discretion, a deposit will not be required for governmental or public entities such as state, county or municipal governments, or public utilities, provided that such entity has entered into an agreement with SPU to pay accrued charges on a periodic basis.

### 2) Standard Charges for Use Permit Application

The following fees are nonrefundable:

- **\$1,835** is the standard charge for the administrative costs of a permit application, when administration costs are expected to require up to 16 hours of SPU time. Generally, this charge applies for simple utility crossings, linear use, and surface use of SPU property. If more than 16 hours are expected to be required, Time and Material costs may be charged. Simple activities may include electrical, communications cables, gas, or water services that cross over the top of SPU water transmission pipelines.
- **\$450** is the standard charge for the first-time preparation of a Special Short-Term Surface Use Permit. **\$150** will be the standard charge for each renewal of the permit. In addition, the permittee is required to pay the appropriate gate opening fees, the Special Short-term Surface Use Fee as provided in section 3A.3 and provide proof of insurance as required by SPU. A single permit may be issued for recurring use up to 30 days per year. This fee schedule generally applies to community or organization events or related parking.
- **\$600** is the standard charge for permittee name change with no change in use. Permit terms, conditions, and use fee, may be updated.

### 3) Use Fees

In addition to the standard charge for Use Permit Application Fee under section 3A.2, fees for the use of SPU property for permits and leases to be granted shall be established at "Fair Market Value" unless a specific rate is provided in this section:

### ***Utility Crossings***

There is no use fee for utility crossings of SPU fee-owned right of way.

### ***General Surface Use***

- There are use fees for surface use of SPU fee-owned property. Typically, this use is by adjacent property owners for parking, but can include other uses such as construction staging, job shacks, etc.
- The Annual Use Fee for all for-profit permittees shall be no less than **\$1,000**, even if the estimated "Fair Market Value" for the use of the SPU fee-owned property is less.

### ***Special Short-term Surface Use***

**\$50** per day. Typically, this use is for short term parking for community sponsored and non-profit events that are compatible with utility use, but is not limited to parking.

### ***Linear Use of Property***

There are use fees for linear use of SPU fee-owned property. Linear use is typically non-SPU utility installation of surface, underground, or overhead infrastructure. Linear use fees are currently under review. Until such time as the fees are officially changed, unless established otherwise by an existing permit, the following fees apply:

- **\$500** annual use fee for each conduit or cable, plus 25 cents for each conduit or cable for each linear foot over 1,000 feet. This fee applies to cable, conduit, or wire of no more than 4 inches in diameter. This fee will be determined on a case by case basis for larger sizes or more impactful installations.
- When issuing new permits, there is a **\$250** annual use fee for each hand hole, vault or other above or below ground structure measuring more than 1 ½ feet, but less than 3 feet, in width, height, or depth. The annual use fee for each hand hole, vault or other below or above ground structure measuring over 3 feet in height, width, or depth shall be determined on a case by case basis. An annual use fee may be instituted for each hand hole, vault or other above or below ground structure that is discovered to exist within SPU property but was not reviewed and pre-authorized by SPU.

### ***Utility Use in SPU Tunnels***

Use fees are currently under review and could be changed at any time. Until such time as the fees are officially changed, unless established otherwise by an existing permit, the following annual fees apply:

- **\$966** for each communications related conduit or inner duct under 2 inches diameter.
- **\$1,931** for each communications related conduit between 2 to 3 inches diameter.
- **\$2,896** for each communications related conduit (which can contain inner duct) 3-plus inches diameter up to 48 square inches in cross sectional area of the cable or conduit.
- The annual use fee for non-communications related facilities shall usually be at the same rates as the communication facilities. However, the fee may be determined on a case-by-case basis.
- Any facilities of more than 48-square inches in cross-sectional area may be determined on a case-by-case basis.

#### **4) Preparation of Legislation**

The following fee is nonrefundable:

**\$7,115** is the standard charge for the administrative cost for any legislation required due to the requests or actions of any person or entity, other than SPU. This charge is based on the requirement that the applicant and or requester provide all necessary information, such as: acceptable proof of ownership, signatory authority, and an adequate survey and legal description. If, due to the applicant or requester's actions, SPU staff time significantly exceeds the cost of the standard charge, the applicant and or requester may be charged for additional SPU Time and Material costs.

Legislation is required when SPU buys or sells property, grants or acquires easements or any other property rights, grants permits, rental agreements or leases for more than one (1) year in duration.

Legislation is required for Partial or Full Transfers of Jurisdiction between City Departments.

#### **5) Real Property Review of Street Vacation Applications**

No charge if SPU infrastructure is not located within the proposed vacation area.

Time and Materials shall be charged to the applicant or requester for SPU costs when either there is SPU infrastructure in the street vacation area, or the street vacation will impact other SPU infrastructure.

All reservations of rights for SPU infrastructure shall be subject to all other applicable costs and fees including, but not limited to legislation costs.

#### **6) Surplus, Sale or Exchange of SPU Fee-Owned Property**

Time and material and preparation of legislation costs shall be charged, as per section 3A.1, for SPU costs in conjunction with the sale or exchange of SPU property, when initiated by an outside entity. These costs may include, but are not limited to: SPU staff time, title, appraisal, survey, document preparation, closing and recording. If actual costs are less than the deposit, the balance shall be refunded; if the actual costs exceed the deposit, the balance will be charged to the applicant.

Time and Materials and Preparation of Legislation costs generally are not charged when SPU initiates a sale of surplus property.

In addition to these charges, SPU must receive Fair Market Value for its property.

#### **7) Encroachments**

Encroachments are unauthorized use of SPU fee-owned property or easement rights. Types of encroachments and the impact to SPU property rights vary greatly. Therefore, the Time and Material and Use Fees to resolve encroachments shall be determined on a case-by-case basis.

## **8) Minor Projects and Access to SPU Properties**

**\$175 minimum** for gate opening. Charge may be in excess of the minimum depending upon the circumstances of opening.

**\$165** per hour with a one hour minimum charge for entry to SPU facilities when a security specialist is required for access and/or to stay with non SPU personnel while on SPU property.

**\$80 to \$125** per hour will be charged (hourly rates will vary) for entry to SPU facilities when SPU personnel are required for access and/or to stay with non-SPU personnel while on SPU property. The rate will include overtime when applicable. When overtime is applicable, a minimum of 4 hours overtime will be charged. Travel time will also be charged.

**\$125** may be charged if a Site Security Plan provided by SPU Security is required.

Third-party work on SPU property. Costs for city employees and equipment stationed to protect city property and the pipeline during third-party work on SPU property shall be charged as time and material.

## **4. AUTHORITY/REFERENCES**

- SMC 21.04.465, Standard, connection, and administrative charges (water)
- SMC 3.02, Administrative code
- SMC 3.32.020, Adoption of rules